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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte TOM VICKNAIR, SAM BEARD, RICHARD NORMAN,
MARK RIGGLEMAN, MAX ROYCORFT, DICK FEAGIN,
CLIFF DAY, and PAUL FIELDING

Appeal 2009-0342
Application 09/728,340
Technology Center 3600

Decided:¹ February 19, 2009

Before, MURRIEL E. CRAWFORD, DAVID B. WALKER, and BIBHU R.
MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 CFR § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-6, 8-10, 36-41, and 43-45 which are all the pending claims in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF THE DECISION

We REVERSE.

THE INVENTION

The Appellants' claimed invention is directed to Electronic Check Processing (ECP) processing using digital imaging rather than traditional microfilm techniques for the physical checks. The invention digitally images the physical checks and links the images to the data records that represent the checks (Specification 3:5-7 and 7:12-16). Claim 1, reproduced below, is representative of the subject matter of appeal.

1. A method of processing banking transactions comprising:

receiving an electronic cash presentment (ECP) file, the ECP file containing first records representing paper-based banking transactions;

for each of the first records, assigning a unique first item sequence number to each respective first record;

receiving the paper-based banking transactions after having received the ECP file;

generating second records representing the paper-based banking transactions;

generating digital images of the paper-based banking transactions;

for each of the second records, assigning a unique second item sequence number to each respective second record;

correlating the first and second records; and

discarding the second item sequence numbers such that the second records are indexable according to the first item sequence number wherein the second records and the digital images are linked to the first records by the first item sequence number.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

| | | |
|-----------|-----------------|---------------|
| Geer | US 5,930,778 | Jul. 27, 1999 |
| Gruenwald | US 6,457,006 B1 | Sep. 24, 2002 |

The following rejections are before us for review:

1. Claims 1-6, 8-10, 36-41, and 43-45 are rejected under 35 U.S.C. § 103(a) as unpatentable over Geer and Gruenwald.

THE ISSUE

The issue is whether the Appellants have shown that the Examiner erred in making the aforementioned rejections.

This issue turns on whether Geer discloses assigning a unique second item sequence number for the record representing the paper-based transactions and then discarding the second item sequence number to index and link the second record to a first record by a first item sequence number.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence²:

FF1. Geer discloses a system for expediting the clearing of financial instruments such as checks and uses a microfilm system 8 for making copies of paper checks (Abstract, Figures 1-2).

FF2. Geer discloses that the checks are electronically scanned and given a first document number (Figure 2, box 6).

FF3. Geer discloses that each check is given a unique document identification number at Col. 13, lines 44-49, but does not disclose that each check is given a second unique document number. Geer does not disclose that a second unique item number is generated at Col. 15, lines 17-19.

FF4. Geer does not disclose that a second document number is generated or assigned to the paper checks during processing (Figure 2).

FF5. Gruenwald is directed to a system for organizing raw data (Abstract).

² See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

FF6. Gruenwald does not disclose generating a second document number in check processing.

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, (1966). See also *KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, and discussed circumstances in which a patent might be determined to be obvious. In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739, (citing *Graham*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.”

The Court also stated “[i]f a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Court noted that “[t]o facilitate review, this analysis should be made explicit.” *Id.* at 1741 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”)). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.*

ANALYSIS

The Appellants argue as a group the rejection of claims 1-6, 8-10, 36-41, and 43-45 under 35 U.S.C. § 103(a) as unpatentable over Geer and Gruenwald. We select claim 1 as representative of this group and the remaining claims stand or fall with claim 1. See 37 C.F.R. § 41.37 (c)(1)(vii) (2007).

The Appellants argue that the rejection of claim 1 under 35 U.S.C. § 103(a) as unpatentable over Geer and Gruenwald is improper because Geer does not teach or fairly suggest “generating second records representing the paper-based banking transactions... [and] for each of the second records,

assigning a unique second item sequence number [ISN #2] to each respective second record" as recited in Claim 1 (Br. 16-17).

The Appellants argues that:

To be plain, the rejection is deficient in the most basic respect ---- Geer is based on a single ISN. The invention claims two ISNs, an ISN #1 and an ISN #2, which are associated with two different records. When the records are reconciled or correlated, one of the ISNs call be discarded. Because Geer only teaches a single ISN, the various operations in the claimed invention involving two ISNs cannot take place in Geer. (Reply Br. 8.)

In contrast the Examiner has determined that Geer discloses a check processing system which includes generating second records and assigning a second item sequence number to the second record (Ans. 4). The Examiner has determined that Gruenwald discloses discarding second item sequence numbers and that it would have been obvious to modify Geer to discard the second item sequence number to discard duplicate or redundant information in a database.

We agree with the Appellants. Claim 1 includes a limitation for:

generating second records representing the paper-based banking transactions; generating digital images of the paper-based banking transactions; *for each of the second records, assigning a unique second item sequence number to each respective second record*; correlating the first and second records; and *discarding the second item sequence numbers such that the second records are indexable according to the first item sequence number* wherein the second records and the digital images are linked to the first records by the first item sequence number.

We have determined that the Geer reference does not disclose assigning a unique second item sequence number to the second records or

checks (FF3, FF4). The Gruenwald reference fails to correct this deficiency in the Geer reference, and also does not teach assigning a unique second item sequence number to the second records or checks (FF6). In rejecting claims under 35 U.S.C. § 103(a), the examiner bears the initial burden of establishing a prima facie case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). *See also In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984). Since the Geer and Gruenwald references simply do not disclose assigning a unique second item sequence number to the paper checks the rejection of record does not provide all the limitations recited in claim 1, the Examiner has not established a prima facie case of obviousness in rejecting the claims. For these above reasons the rejection of claims 1-6, 8-10, 36-41, and 43-45 under 35 U.S.C. § 103(a) as unpatentable over Geer and Gruenwald is not sustained.

CONCLUSIONS OF LAW

We conclude that Appellants have shown that the Examiner erred in rejecting claims 1-6, 8-10, 36-41, and 43-45 under 35 U.S.C. § 103(a) as unpatentable over Geer and Gruenwald.

DECISION

The Examiner's rejection of claims 1-6, 8-10, 36-41, and 43-45 is not sustained.

REVERSED

Appeal 2009-0342
Application 09/728,340

LV:

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